

INSPECTOR GENERAL'S  
SURVEY  
OF THE  
OFFICE OF PERSONNEL

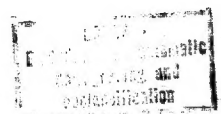
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I. SUMMARY

1. Personnel management and career development in CIA are a function of command. Heads of offices and Career Services have primary responsibility for and authority over the people working for them. The Office of Personnel is essentially a staff and support element. It assists the directorates and independent offices in personnel management, and provides a wide range of important employee services, but makes relatively few decisions on hiring, assigning, promoting, transferring, evaluating, disciplining and terminating <sup>the</sup> approximately [REDACTED] staff, contract and proprietary people for whom CIA has some direct or indirect responsibility. This is not said to downgrade the Office in any way. It is, rather, to emphasize that although his statement of functions makes the Director of Personnel "responsible for the development and administration of an Agency wide personnel program," most of the real responsibility and authority lie with the directorates and heads of independent offices. As indicated below, we believe the authority of the Director of Personnel should be strengthened to be more consistent with his responsibilities. 25X9A2

2. This is a survey of the Office of Personnel, not of the

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personnel management policies and practices of the heads of offices and Career Services. However, in the course of the survey, some major personnel matters of common concern came to our attention, and we believe it important to comment on them. We have tried to answer three basic questions:

- a. How well does the Office of Personnel do its job?
- b. Are there changes indicated which would make it more effective?
- c. What are CIA's major personnel problems, and who is doing what about them?

3. Our findings are summarized below. Detailed comments and recommendations are contained in the report which follows:

How well does the Office of Personnel do its job?

We believe the Office does an excellent job of recruiting junior professionals and in procuring military personnel; of providing support to heads of offices and Career Services in their personnel programs; in the orientation and processing of new personnel; in handling difficult termination cases; and in providing employee services.

✓ The Office does less well in "reviewing and evaluating the personnel management practices in the Agency"; in initiating action to correct inadequacies.

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The Office recognizes the need to improve several kinds of personnel and manpower control records, and has recently set up a task force to work on these problems.

Are there changes indicated which would make the Office more effective?

We believe there are a few such changes.

We recommend that the Salary and Wage Division, which examines several aspects of personnel management of other offices (position classification, staffing patterns, and wage structure) be strengthened by the assignment of more broadly qualified people, renamed the Personnel Management Division and given a broader charter. The new charter should include authority to look into workload, use of people, job qualifications, attrition, promotion policies, adequacy of supervision, identification and handling of problem cases (including marginal performers), as well as those matters now covered, and to make recommendations for changes where indicated. This should be done in close collaboration with the Director of Budget, Program Analysis and Manpower.

We believe that more emphasis should be given to employee counselling, and less to "out-placement," which is largely concerned with people leaving CIA.

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More use can be made of the Assessment and Evaluation Staff in selecting and assigning people, and in trying to reduce attrition.

What are CIA's principal personnel problems and who is doing what about them?

The principal personnel problem in CIA is failure of supervision. Almost all misconduct, ~~defalcation~~ and other problem cases reaching the Inspector General are compounded by failure of the supervisor to face his responsibilities and take action in time. This is recognized and <sup>some</sup> action is being taken to deal with it. The program of reorientation on supervisory responsibility, more emphasis on supervisory performance in fitness reports, the <sup>on place</sup> supervisors' handbook being prepared by the Office of Personnel, and other measures for follow-up will, we believe, result in improvement. These problems will, however, need continuing attention.

There is a relatively small but disturbing number of marginal performers, misconduct cases, and employees with serious problems affecting their work or raising questions as to their suitability for employment in CIA. Despite [REDACTED] 25X1A  
*and* DECI's recent memorandum on, Supervisory Performance in Matters of Employee Performance and Behavior, 13 March 1964, some cases are not being reported to the Director of

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Personnel until they reach a crisis stage. The recent studies on Alcoholism in CIA, prepared by the Office of Personnel, deserve serious attention. The Director of Personnel should be encouraged to take greater initiative and provide leadership in organizing an attack on these problems.

There are patches of high professional attrition - especially in the DDI. CIA loses too many of its young professionals, and too little is being done about this. The Director of Personnel and office heads should collaborate on a program of reducing attrition where possible.

The costs of processing new personnel - to replace losses through attrition - are high. A cost study and possible ways of reducing such costs should be made by the Deputy Director of Support and the Director of Budget, Program Analysis and Manpower.

The Director of Personnel is in some cases frustrated in getting action on personnel problems because of the autonomy of heads of offices and Career Services. When a serious problem is identified, the Director of Personnel should be given stronger support in getting appropriate

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II. FINDINGS AND RECOMMENDATIONS

A. Office of Personnel

1. Personnel Recruitment Division

1. This survey found the Recruitment Division going through a difficult period. The Division was expanded to [REDACTED] people and reorganized during Fiscal Year 1963 to recruit larger numbers of people in response to requirements of the four Deputy Directorates. The lower personnel ceilings imposed in December 1963, and anticipated somewhat prior to that time, brought recruiting to a grinding halt except for specialists and JOT candidates. The Division has difficulty, understandably, in getting future personnel requirements on which to plan recruiting schedules. The Chief of the Division is making such plans as are possible, adjusting territories, terminating and reassigning surplus recruiters, and making other changes indicated. The Division will spend about [REDACTED] in FY 1964.

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2. We should note and give the Division credit for several innovations adopted during 1963. The "100 Universities" program in which recruiters and other CIA officers talked to informal luncheon and dinner sessions attended by selected faculty advisors and placement officers around the country were successful in creating understanding about and more interest in

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CIA as an employer. Badly needed new office space for field recruiters was obtained. A larger number of people were recruited than at any time since the early 1950's. Credit for much of this production must go to a few seasoned recruiters. The Chief of the Division is responsible for development of new brochures on employment opportunities in CIA, and for getting approval to advertise for CIA applicants in trade and professional journals. One such advertisement in the Scientific American produced a number of interesting applicants, but none had entered on duty as of March 1964. <sup>Successful</sup> An experimental program of hiring women clericals age 35-50, on reserve appointments was initiated.

W H CIA gets its new people from:

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a. A [redacted] recruiting staff of the Office of Personnel located in [redacted] cities throughout the United States.

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b. A 7-man Washington office of the Office of Personnel which handles referrals and walk-ins.

c. Recruiting and referrals by other CIA components.

In the 18-month period ending 31 December 1963, [redacted] new people entered on duty with CIA in four general categories, as follows:

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[redacted] Professionals

[redacted] Junior Officer Trainees

[redacted] Communications Personnel

[redacted] Clericals

An analysis of who produced these new people is as follows:

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action taken - even if this means overruling a head of a Career Service.

There are about 100 key jobs requiring scientific, technical or other specialist skills which are difficult to fill. The Office of Personnel and other components have coordinated a drive to locate qualified people for these positions. We have no suggestions as to how this might be done better.

The Agency is facing a clerical shortage because of unexpectedly high clerical attrition, cutback in recruitment and a drying up of the clerical pool. *we are recommending a step up in clerical recruitment*

There are about [REDACTED] non-staff personnel for whom

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CIA has some responsibility, but who are not subject to manpower controls and other management procedures required for staff employees. These include contract employees, contract agents, career agent employees of proprietary projects, indigenous personnel of several kinds.

The Bureau of the Budget has for the first time placed a "ceiling" for FY/1965 on non-permanent personnel

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[REDACTED] Obviously, the Bureau is unaware of the total number of non staff personnel indicated in the preceding paragraph. We believe the Bureau of the Budget's interest

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in non-staff personnel points up the need for the Agency to (1) know how many of these people there are, (2) be certain that its personnel management practices for them are sound, and (3) be able to defend their use and costs. The Agency is not now in a position to do this. The Office of Personnel has begun to examine the wage structure, retirement programs, and other benefits of three large proprietaries. Others, including the largest, have not been reviewed. It has also established new ground rules for insurance benefits for people involved in hazardous and sensitive undertakings which will result in more uniformity. Records on contract employees, consultants, staff agents, proprietary personnel, career agents and contract agents exist, but are not as accurate or subject to the same systematic review as those on staff employees.

4. It is recommended that the Deputy Director for Support in collaboration with the Director of Budget, Program Analysis and Manpower should review the adequacy of reporting of non-staff personnel and make recommendations to provide DDCI with accurate information quarterly on such people. The Deputy Director of Support should make recommendations to appropriate authority for the systematic review of the personnel management practices of proprietaries and other projects with annual personnel costs [REDACTED]

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5. Although an executive-development program has been recommended in 1952, 1959, 1962 and in 1963, little action has been taken to organize such a program. Projected losses through retirement of senior officials in the 1970's and probably of officers on whom CIA has been counting to replace such officials, point up the need for such a program. We recommend that the Director of Personnel take the initiative in organizing a systematic program which will identify and develop employees with potential to fill senior executive and managerial jobs.

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Three points should be noted:

- a. The wide differences in productivity of recruiters (recognized by the Division);
- b. The contribution of the low-cost Washington Recruitment Office;
- c. The numbers of new people recruited by other CIA components.

3. There is some professional friction between the Headquarters staff of the Recruitment Division and some DD/I offices about recruiting economists, area specialists, and other personnel. DD/I officers feel strongly that they must visit university campuses to interview candidates in some fields in which the generalist recruiter cannot be expected to be an expert. The Recruitment Division believes this to be unnecessary. Our interviews with five professional recruiters in the field indicate that this is not a problem to them as long as other officers' visits are coordinated with them, which is now the rule. The numbers of professionals recruited by other components indicate to us that their recruiting is productive. No changes in current arrangements

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which permit such specialist recruitment in coordination with field recruiters are therefore recommended.

✓ 4. CIA is recruiting enough able young people for all its junior professional positions, but ~~is~~<sup>is</sup> having difficulty filling about 100 key jobs calling for technical, scientific and specialist skills. The Recruitment Division and other components have coordinated an attack on this problem, and we have no suggestions as to how it might be done better. JOT recruiting is covered in Section B.

5. As noted above, CIA entered [REDACTED] clerical 25X9A2 personnel on duty between 1 July 1962 and 31 December 1963. These numbers were obtained at some sacrifice of quality. Many high school graduates and many girls recruited from "airline hostess schools" did not meet clerical performance standards, although they passed the clerical tests given before entrance on duty. Clerical standards have now been raised. The Recruitment Division is now concentrating on clerical applicants from secretarial and business schools and junior colleges. Clerical personnel will no longer be brought into the clerical pool on the basis of an interim clearance. A satisfactory full field investigation will be required before a clerical employee will enter on duty.

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6. We have minor suggestions on headquarters field relationships, an updated statement of what recruiters can tell applicants about the Agency, and centralizing responsibility for each field office which are covered in a separate memorandum.

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2. Personnel Operations Division

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1. This Division of [redacted] people budgeted at [redacted] for FY 1964 processes personnel actions, assists other offices in placement of people, selects and assigns clerical personnel, maintains official personnel records, produces a variety of statistical reports, keeps book on strength vs., ceiling figures and operates an out-placement service. 25X1A

2. Since the <sup>late</sup> last IG survey, the Division has made its processing much more efficient and the long delays noted at that time no longer exist. The average time to process a new employee from receipt of Personnel History Statement forms to notification of eligibility for entrance on duty is 80 days. This includes personnel, security and medical processing. This is a commendable performance.

3. It is recognized that staff personnel records of several kinds need improvement, and a task force has been set up to review official personnel files, qualifications data, coding of personnel information, statistical reports, tables of organization, career service grade authorization and other records. We believe this will result in required improvement, and have no suggestions in this area. Our findings and

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recommendations on statistics and records on non-staff personnel are covered in Section A.4.

4. CIA is facing a clerical shortage due to unexpectedly high clerical attrition, cutback in clerical recruitment and a drying up of the clerical pool under newly established policies. Higher clerical standards and requirements for completion of a full field investigation before entrance on duty will make it more difficult to keep a flow of clericals into the Agency. Demands for clericals are building up in several components and in our judgement, the Clerical Assignments Branch will not be able to meet these demands, through no fault of its own.

5. The Office of Personnel has recontacted 154 clerical applicants who were processed several months ago but could not be hired because of the personnel ceiling. 100 of these have other jobs and are no longer interested in working for CIA. It is likely that very few of these 154 will enter on duty.

6. We believe that a case can be made for increasing the clerical recruitment requirements above the figure of [REDACTED] for FY 1965. We recognize the need for economy and do not advocate a return to a situation like that in 1963 when there

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25X9 were new clericals in the pool. We believe however, that the new policies may have cut too deeply, and may in the long run be more expensive if there are too few clericals to get the work done. We therefore believe these policies should be reviewed.

It is recommended that:

No. \_\_\_\_\_

The Director of Personnel review Agency clerical requirements in view of unexpectedly high attrition, the tying up of the clerical pool and indications of clerical shortages in several components, and take such steps as necessary to insure that demands are met.

7. There are indications that two weeks is too short a period for some new clericals to remain in the pool for orientation, retesting, retraining in clerical skills, and the like. Many of these young women are on their first jobs and are away from home for the first time and need a period of adjustment under close supervision. The Chief of the Clerical Assignment Branch and her staff who have had much experience in this field over the years believe strongly that there should be flexibility to keep some people in the pool longer if necessary until they adjust and can perform up to their best.

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It is recommended that:

No.     

The Director of Personnel give the Chief, Clerical Assignments Branch authority to keep some clericals in the pool longer than the presently scheduled two week period if necessary to complete their adjustment and bring their skills up to necessary standards.

8. Older women clericals, hired on an experimental basis under reserve appointments, have performed very well, have produced fewer problems than many younger women, and have had lower attrition. We believe this program should be expanded.

It is recommended that:

No.     

The Director of Personnel expand the program of hiring older women clerical personnel under reserve appointments, in view of the excellent results achieved in the experimental program.

9. We have reservations about employing five people in the "Out-placement" Branch. Although the service is useful to people leaving the Agency, we believe it is much less justified than a counselling service for employees who, if handled well will remain with CIA and be productive. (See Recommendation     ). It is our impression that the contribution of the Out-Placement Branch is somewhat overstated. It is also our impression that the Branch has too little supervision by the Chief, Personnel Operations Division, and that the senior male personnel have little to do.

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10. If CIA has to choose between "out-placement" for people who leave and counselling of employees who will remain, we believe the emphasis should be on the latter.

It is recommended that:

No.     

a. The Director of Personnel review the operations, supervision, quality of personnel and contribution of the Out-Placement Branch.

b. The Director of Personnel assign three of the five positions in the Out-Placement Branch to personnel counselling once the program has been developed.

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3. Mobilization and Military Personnel Division

1. The principal job of the Mobilization and Military Personnel Division (MMPD), consisting of [REDACTED] people and budgeted 25X9A2 at [REDACTED] is procuring and handling the personnel administration of qualified military personnel detailed to the Agency. It also handles personnel mobilization planning and the administration of the military reservist program of CIA.

2. The principal users of military personnel in CIA are the Office of Special Activities of DDC&T and the [REDACTED] 25X1A8a

25X1A8a [REDACTED] Representatives of both of these components were highly complimentary of the services of MMPD. We found considerable evidence that CIA is getting excellent personnel from the military services. Because of the good working relations between MMPD and the services, CIA is able to hand-pick almost every individual. Many of these people request extensions of their assignments with the Agency and many apply for civilian employment on completion of their military service. As of 25X9A2 31 December 1963, CIA had [REDACTED] military detailees, [REDACTED] of whom 25X9A2 were Air Force personnel.

3. Our comments have been requested on the numbers of personnel employed by MMPD and whether the chief or the deputy

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chief of the Division should be a CIA career civilian employee. At the time of the survey, MOPD was reorganizing and planning to reduce its staff by three positions. With this reduction we believe the Division will be reasonably staffed. The chief of the Division is an Army colonel on recall from retirement. His service has just been extended for an additional two years. He has an excellent knowledge of both the military and CIA. Under the proposed reorganization of MOPD, the chief, Army Branch will also serve as deputy chief of the Division in the absence of the chief, and the deputy job will be eliminated. We believe it makes little difference whether the chief of the Division is a military or civilian careerist provided he has adequate knowledge of both the military services and CIA. If the present chief of the Division plans to retire upon completion of his present tour, however, the Office of Personnel should begin to groom a successor.

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4. Contract Personnel Division

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1. This Division of [REDACTED] provides technical staff assistance to other components - principally the Clandestine Services - for "non-staff" personnel. (contract employees, staff agents, contract agents, career agents, consultants, independent contractors and others). These services include writing of contracts, review of field contracts and amendments, handling of records of staff agents, technical advice on cost of living differentials, field allowances, social security and other benefits. The workload of the Division in these fields is increasing. We believe that CPD does this job well.

2. Recently the Division, with other divisions of the Office of Personnel, has begun to examine the salary and wage structure, promotion policies, retirement plans and benefits provided employees of the major proprietaries. This is being done more or less by invitation of the component responsible for the proprietary, rather than as a matter required by CIA regulations. It is too early to judge the effectiveness of this function.

3. The Office of Personnel has very little participation in decisions to hire, promote, assign, reassign, evaluate performance or terminate "non-staff" personnel. These decisions are made by the using component. The Office of Personnel has authority



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to question the salary and benefits proposed for a "non-staffer" if they seem out of line, but there are now relatively few such cases.

4. We do not believe it realistic for the Office of Personnel to attempt to apply staff employee standards to "non-staff" personnel, but we believe that there are four areas in which the Office of Personnel should play a larger role:

a. Compiling more accurate personnel records and statistics on "non-staff" people. In the course of this survey, we had difficulty getting good data on such people because it is not being reported accurately by the field in some categories. As of 31 March 1964, the best estimates available on the numbers of such people were as follows:

Contract Employees

Independent Contractors (Non-DIP)

Proprietary Personnel

Free Europe Committee  
(including RFE)

Radio Liberty (formerly American  
Committee for Liberation)

The CAT Airlines Complex

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[REDACTED]	25X1C4c
Other Proprietary Organizations	25X9
Consultants (board and panel members)	141
Foreign Nationals	
Clandestine Services (service personnel)	
[REDACTED]	C
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Office of Communications	
Contract Agents (U.S. and Field)	
Career Agents	

5. The Bureau of the Budget for the first time has placed a ceiling on CIA for Fiscal Year 1965 of [REDACTED] on "non-permanent" employees. The Bureau is obviously not aware of the large numbers of "non-staff" people indicated above.

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6. The Office of Personnel should provide the Office of the DDCI at least quarterly with accurate information in sufficient detail on all "non-staff" personnel for whom CIA has responsibility.

a. The Office of Personnel should participate in the selection of key "non-staff" personnel (those with salaries equivalent to GS-15 and above) including those in proprietary and other projects of the Clandestine Services

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and other components. At the present time, the Office of Personnel has virtually no participation in such matters, although in many cases CIA places much more responsibility on key "non-staff" personnel than it does on staff personnel.

b. The Office of Personnel should ensure that appropriate procedures exist for reviewing the suitability of all "non-staff" personnel to be assigned overseas. The Office of Personnel should participate in the review of contract employees, staff agents, contract agents and career agents in which questions of suitability for overseas assignments are raised by the Office of Security, the Medical Staff, or other offices.

c. The Office of Personnel should ensure that proprietary and other projects involving large numbers of people have sound personnel management policies and practices, and that adequate machinery exists in CIA for reviewing such management. The Office of Personnel should participate in the annual review of such projects.

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It is recommended that:

No.       

The Director of Personnel:

- a. Maintain better personnel records on, and report to the DDCI at least quarterly on the numbers and kinds of "non-staff" personnel for which CIA has responsibility;
- b. Participate in the selection of key "non-staff" personnel; (for the purposes of this paper, key personnel are considered to be those with salaries equivalent to GS-15 and above)
- c. Ensure that appropriate procedures exist for reviewing the suitability of all "non-staff" personnel to be assigned overseas;
- d. Participate in the review of contract employees, staff agents, contract agents and career agents proposed for overseas assignment in which questions of suitability are raised by the Office of Security, the Medical Staff or other offices;
- e. Ensure that sound personnel management practices exist in proprietary and other projects with personnel costs in excess of \$100,000 annually.
- f. Participate in the annual review of such projects; and
- g. Ensure that appropriate regulations are issued on these matters.

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5. Clandestine Services' Personnel Division

1. The Clandestine Services' Personnel Division (CSPD) is responsible for providing staff advice and secretariat support to the Clandestine Services' Career Service Board, its subordinate panels and sections, and the Clandestine Services Personnel Management Committee. CSPD assists in the selection, assignment, rotation, promotion, development and utilization of CS career personnel. Most decisions are made, however, by officers of the Clandestine Services.

2. CSPD, although a division of the Office of Personnel, is responsible operationally to the Chief, Operational Services Division of the Clandestine Services. It is organized in branches which complement the panel organization of the Clandestine Services' Career Service Board. There is also a Records and Reports Branch which provides statistical data to the DD/P and other appropriate officers of the Agency.

3. Branch A serves those portions of the CSCSB dealing with promotions to and assignment of grades GS-14 and up, which currently totals [redacted] individuals in the Clandestine Services. Branch B similarly serves grades GS-12 and GS-13 for a total of [redacted] persons. Branch C serves grades GS-9 through GS-11,

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25X9A2 currently a total of [REDACTED] Branch D serves grades GS-8 and lower,

25X9A2 currently a total of [REDACTED] most of whom are clericals.

✓ 4. We believe that CSPD does a good job in its staff and support role. The Chief, Operational Services Division of the Clandestine Services was very complimentary about the work of CSPD and <sup>of its</sup> to the Chief. Considerable progress has been made in the past few years in the more efficient handling of returnees from the field, in breaking down parochial barriers to inter-divisional transfers and in placement of Junior Officer Trainees. Much credit for this should go to CSPD.

5. We have recommended in the section of this report on the Plans and Review Staff that better controls be established on the review of suitability of contract employees, contract agents and career agents proposed for overseas assignment. This will involve close collaboration between the Agent Panel and the Overseas Candidate Review Panel.

6. We have also recommended in the section of this report on the Contract Personnel Division that more accurate reporting on non-staff personnel be provided the Deputy Director of Central Intelligence quarterly. Many of these people are the responsibility of the Clandestine Services. CSPD is aware of the need for improved reporting on such people.

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6. Benefits and Services Division

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1. This Division of [REDACTED] employees of the Credit Union) budgeted at [REDACTED] is responsible for a wide range of personnel and employee services. We were generally well impressed with the management and performance of this Division.

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\* 2. We found the Credit Union well managed. This is now a substantial <sup>large</sup> self-supporting banking business with shares of

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nearly [REDACTED] with over [REDACTED] accounts and with [REDACTED] loans outstanding, totaling almost [REDACTED]. Shares increased by

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about \$1,000,000 in 1963. The Audit Staff conducts an audit of the Credit Union quarterly and is satisfied with compliance with its recommendations. In addition, the Bureau of Federal Credit Unions in the Department of Health, Education and Welfare audits the Credit Union annually. Representatives of the Credit Committee of the Credit Union consisting of seven senior CIA employees meet weekly to review each loan proposed during the previous week. This Committee operates with a nice balance of prudence on the one hand and with understanding of the needs of the prospective borrower on the other. The success of the Credit Union's management is best illustrated by its low loss ratio, [REDACTED] in losses compared with over [REDACTED] loaned since its organization, and its consistent dividends over the

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\* Despite a case of misuse of funds by an employee of the Credit Union, the Credit Union is well managed. S E C R E T, and under [REDACTED] [REDACTED]

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years which have totaled over \$2,000,000. The Credit Union paid dividends of 5 per cent in 1961, 1962 and 1963.

3. We considered recommending a transfer of responsibility of the Credit Union to the Office of Finance, not because it is not being well handled by the Office of Personnel, but because it diverts executive time from major personnel problems. However, on balance we believe it should remain with Personnel.

4. The Agency-sponsored insurance programs have expanded substantially in the last few years. ~~None~~ new GENA-administered plans have come into being since 1960. The number of hospitalization policies in force since 1960 has increased from [REDACTED] 25X9A2

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[REDACTED] The amount of hospitalization claims paid increased from \$757,714 in 1960 to \$1,504,124 in 1963. In 1960, the United Benefit Life Insurance Company (UMLIC) had a total of \$28,000,000 in force compared with \$71,000,000 in 1964. In this period there has been only a ten per cent increase in the number of employees in the Insurance Branch. There is no one in the Branch qualified to act as deputy although it is generally agreed that such a person is badly needed. We are told that it has not been possible to recruit a qualified person but we find this difficult to believe. In view of the fact that CIA will not have to pay the salary of such a man because he would be paid from insurance

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proceeds, we see no reason why such a person cannot be "charged to non-strength" as are employees of the Credit Union. We therefore suggest that the Personnel Recruitment Division be given a requisition to recruit a qualified deputy for the Insurance Branch and that this be given a reasonable priority.

5. The Audit Staff audits Agency-sponsored insurance programs annually and is satisfied with compliance with their recommendations.

6. We have read with interest the report of the Director of Personnel on Recreational Activities dated 24 December 1963 and the enthusiastic endorsement of the program by the Executive Director, DDCI, and DCI.

7. This report outlines the growth of the recreation program from eight activities in which six hundred employees participated in 1962 to twenty-seven sports and clubs in which nearly [REDACTED] now take part. The report indicates some of the new activities under consideration (discount purchase of tickets, travel, merchandise) and a long-range goal of a building which would include a gym, meeting rooms, bowling alleys, a small PX, and other facilities. We believe the Employee Association should be encouraged to

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work toward expanded recreational goals. Ways of financing future expansion should be actively explored.

8. We believe that the Benefits and Counselling Branch does an excellent job and that its program for dealing with cases of death or serious accidents of employees deserves commendation.

9. We believe, however, that problems in the field of personnel counselling need much more attention by the Office of Personnel. A memorandum from the Inspector General to the DCI in 1961 (ER61-6307, 1 August 1961, Inspector General Program of Resignee Interviews [GS-12 and Above] Report for FY-1961) recommended that CIA establish and publicize a counselling service which would make it easier for people to transfer between Career Services, and also recommended that more attention be given to employee attitudes and motivations. These recommendations were approved by the then DCI but little has been done to date to implement them. This matter was discussed with the Office of Personnel during the survey and that office agreed that additional action is indicated and has proposed to do three things:

- a. Draft an employee handbook on various services which are available to employees with medical,

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emotional, family, financial and other problems.

b. Stress the importance of the role of the supervisor in dealing with an employee with a problem before it becomes serious.

c. Reinstitute the program of interviewing all new people after they have been on the job for about three months to determine how they are getting along.

10. We believe these are steps in the right direction but that some additional action is necessary. We believe that the kinds of employees who need counselling of one kind or another fall into three general categories:

a. Able people who are or who believe they are under-employed, or in the wrong jobs and want to change jobs or leave CIA. [REDACTED] requires that an employee who wants to change his Career Service or seek another assignment must process his request through his Career Service. This probably inhibits requests for transfer by many employees. We believe that an employee should have the right to consult the Office of Personnel if he has not found satisfaction through the Career Service and then directly to seek reassignment provided he keeps his supervisor appropriately informed.

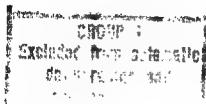
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b. Marginal employees who for a variety of reasons are not producing effectively. It may be possible to reassign and salvage some people. Others may have to be separated. We believe that the Office of Personnel should arrange to have all people who have unsatisfactory fitness reports interviewed by carefully selected and qualified members of their Career Services and the Office of Personnel. Such interviews should try and determine the reasons for the low ratings and what might be done to improve performance in the same job or in a new job.

c. People with serious personal problems or who are developing such problems which affect their work or raise questions as to their suitability for continuing employment. There is a disturbing number of such people in CIA. The recent studies on Alcoholism in CIA, prepared by the Office of Personnel deserve serious attention. The Medical Staff, the Office of Security and the Office of Personnel should review their files on people known to have such problems and should determine what action should be taken in each case. Credit Union records on people who seem to be in



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financial difficulty should be reviewed, each case looked into by the Office of Personnel, and where indicated, the employee should be interviewed and a constructive solution to his problem sought.

It is recommended that:

No.       

The Director of Personnel appoint the Chief, Benefits and Services Division or other qualified officer to:

a. Develop a program of personnel counselling which will be more responsive to the needs of dissatisfied, under-used and misassigned employees, and of employees with medical, emotional, alcohol, family and financial problems affecting their work or suitability for employment; *and will deal more effectively with reassignment problems.*

b. Develop information on what other progressive government and private organizations are doing in this field.

c. Prepare a revision of HR [REDACTED] Reassignment of Personnel, which would permit an employee who seeks reassignment and who has not been able to obtain satisfaction through his chain of command, to consult with the Office of Personnel providing he keeps his supervisor appropriately informed. 25X1A

d. Consult with the Assessment and Evaluation Staff and make recommendations for developing better information than now available on employee morale and attitudes.

e. That three of the five slots presently provided the Out-Placement Branch of Personnel Operations Division be reassigned to the personnel counselling function.

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11. The workload in the Central Processing Branch is manageable and its staffing reasonable. Reduced personnel ceilings in the Agency and the elimination of the Summer employee program will not produce the overload which the Branch has experienced in the past. Employees in the Branch point out that their work hours from 9:00 A.M. to 5:30 P.M. are out of phase with the hours of most of the people they serve. They have little to do after 5:00 P.M. and have a peak load on arrival at 9:00 A.M. They suggest their hours be changed to 8:30 A.M. - 5:00 P.M.

It is recommended that:

No. \_\_\_\_\_

The hours of work of the Central Processing Branch be changed from 9:00 A.M. - 5:30 P.M. to 8:30 A.M. - 5:00 P.M. to coincide with the hours of work of most of the people who require their services.

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7. Salary and Wage Division

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1. This Division of [REDACTED] clerical personnel, budgeted at [REDACTED] has a charter to develop and maintain "an Agency-wide program of position classification and wage administration." Position classification, review of staffing patterns and review of proposed grade changes account for about one-half of the Division's work. Special studies of a wide range of personnel matters account for most of the other half. The latter have included the pay structure of three major proprietaries:

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[REDACTED] The Free Europe Committee and Radio Liberty; a study of a proposal to abolish the National Intelligence Survey research branches of OCI; the personnel organization of the Credit Union; staffing patterns of various CIA components for the Executive Director-Comptroller; and the use of contract personnel by a European field station. The manpower control officer of the Office of Budget, Program Analysis and Manpower is very complimentary of the work the Division has done for his office. Demands on the Division for special studies are increasing. The actual work of the Division is more diversified than its rather narrowly stated charter.

2. This Division is the component of the Office of Personnel which has the most day-to-day access to and information

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about workload, job requirements, job qualifications and personnel practices and problems of other CIA offices. Although most of the officers in the Division have specialized in position classification most of their professional careers, they have been exposed to a variety of personnel matters. Three have served with the Clandestine Services, two have had overseas service, none has been an operations or intelligence officer. The chief of the Division is an able, respected personnel officer.

3. We believe this Division should be given a broader charter and a more broadly qualified staff to examine for the Director of Personnel all aspects of personnel management of the Career Services. Consideration should be given to assigning more officers with experience in the Clandestine Services, the DD/I and other components of the DD/S to the Division for tours of duty in the same way that such officers are assigned to the Inspector General. Personnel ceilings and budgetary pressures on the one hand, and indications of personnel management problems on the other require more careful review and analysis than the Director of Personnel has been able to devote to these matters. We note that the Division has a travel budget for FY-1964 of only \$4,200 and that over the

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years, fewer than 10 per cent of CIA's field installations have been surveyed. The Division is frank to admit that it has had to react to problems and requests rather than plan its coverage of major problem areas systematically. It is interesting to note that the Office of Personnel has not been surveyed since 1959.

4. We have given consideration to a proposal that the Division be transferred to the Executive Director - Comptroller, and given an across the board management review function similar to that of the former Management Staff. Although there are merits to such a proposal, we believe that this would seriously weaken the Office of Personnel at a time when it needs strengthening. We believe the Division should remain in the Office of Personnel, be renamed the Personnel Management Division, and given appropriate backing and support to do a larger job.

It is recommended that:

No.     

The Director of Personnel:

- a. Rename the Salary and Wage Division the Personnel Management Division;
- b. Give the Division a broader charter to review personnel management policies and practices of offices and Career Services to include: manpower utilization,

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workload, job qualifications, staffing patterns, position classifications, evaluation of job performance, promotion policies, grade structure, placement and reassignment procedures, attrition and handling of problem cases;

c. Give the Division enough qualified people, funds and support to do the above job.

d. Collaborate closely with the Director of Budget, Program Analysis and Manpower in carrying out this function.

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8. Plans and Review Staff

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1. This staff of [REDACTED] for FY 1964 reviews and evaluates personnel policies and programs, undertakes special studies and develops and coordinates personnel regulations. The Chief of the Staff is an able, experienced officer.

2. Its major contribution in FY 1964 was the study on the "valley after the hump" of Agency professional personnel in the middle and upper grades who will retire in the mid-1970's and its proposal for an expanded JOT program to deal with this problem. This proposal was approved on 20 March 1964. Other special studies of this staff have had less impact on the Agency's personnel program.

3. One of CIA's important personnel problems is the lack of a systematic program of executive development to provide trained leaders with broad experience for senior positions. This was recommended in 1952 by the Career Service Committee, again in 1959 in the Inspector General's Survey of the CIA Career Service and in 1962 by the Task Force on Personnel Management. There has been, however, little change in CIA's methods of executive development over the years. In response to Action Memorandum No. A-239, 1 May 1963, Generalist Corps, the Office

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of Personnel presented a proposal (drafted by the Plans and Review Staff) to the Executive Director for an executive development program. This is contained in a memorandum Proposed Executive Development Program for Generalists, 31 July 1963, on which little action has been taken to date. Projected executive losses through retirement in the 1970's, which include people on whom CIA has been counting to replace its senior officers, make this a problem which CIA should face up to soon. There are some differences of opinion as to how the executive development program should be organized, but general agreement that there should be one.

It is recommended that:

No.     

The Director of Personnel reopen the question of an executive development program, and take such action as necessary to organize a program which will identify and provide special development opportunities for employees with potential for senior managerial and executive responsibility.

4. The Deputy Chief of the Staff is chairing a task force on personnel records to correct "serious inaccuracies in personnel information which have resulted from the failure of responsible officials to initiate changes in basic personnel records." It is too early to judge the results of this effort.

5. There are a number of problem areas in personnel regulations. For example, there is no regulation HR [REDACTED] on

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Personnel Policy Objectives. The previous regulation on this subject issued in 1953 has been rescinded. Regulations on Staff Employees, Staff Agents and Contractual Agreements for the Covert Support of Operations have not been revised since 1950 and 1951. A regulation on Position Analysis has been under revision for years, the current regulation having been issued in 1954. There is no regulation since 1951 on Pay. A regulation on Manpower Controls has been "in coordination" for over 18 months. The [REDACTED] on Employee Conduct has been under revision for months. [REDACTED] Career Services, is dated 15 September 1961 and negotiations for a revised regulation have been in process for months. There is no regulation [REDACTED] Career Planning. The Office of Personnel and the Office of General Counsel cannot agree on a revision of [REDACTED] Involuntary Separations.

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6. We should hasten to add that these problems do not result from inaction by the conscientious Regulations Control Staff of DDS. They rather are some reflection on the decision making process in the Office of Personnel and in the Agency. We see no reason why decisions cannot be reached on basic personnel regulations, and believe additional action should be taken to resolve open issues quickly.

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It is recommended that:

No. \_\_\_\_

The Deputy Director for Support:

a. Expedite the issuance of revised personnel regulations on Employee Conduct, Manpower Controls, Position Analysis, Hours of Work, Pay, Involuntary Separations.

b. Revise or rescind Confidential Fund Regulations on Staff Employees, Staff Agents, Military Staff Agents, Rights, Salary, Contractual Agreements for the Covert Support of Operations issued in 1950 and 1951.

7. There will be some overlap in the proposed functions of a reorganized Salary and Wage Division (see recommendation \_\_\_\_ ) and the Plans and Review Staff in the review and evaluation of personnel policies and programs, in the field of manpower studies and in projecting future personnel requirements. A redefinition of functions of the Plans and Review Staff is indicated, *if the*

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9. Special Activities Staff (SAS)

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1. We found this Staff of [REDACTED] clerical personnel to be experienced, able and doing its difficult job well.

2. Most of the work of SAS involves handling of suitability, conduct, problem or termination cases. We believe the Staff does its job with a good balance of firmness and compassion which gives due weight to the interests of both the Agency and the employee.

3. SAS is somewhat frustrated and concerned by what they (and we) believe to be failure of supervision in many offices which permits problem cases to reach the point where salvage, transfer or corrective action is impossible and termination is the only solution. SAS believes that the situation has improved over the years but that CIA has yet to come to grips with many problems in this area. We agree. This matter is covered at more length elsewhere in this report.

4. A representative of SAS chairs the Overseas Candidate Review Panel which reviews all proposals for assignment of staff employees overseas in which questions of suitability for such an assignment have been raised by the Medical

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B. Career Officer Trainee Program

1. The Office of Personnel has identified and led an attack on one of CIA's important personnel problems: the need to train young officers in sufficient numbers to fill the "valley after the hump" in the 1970's when many officers now in their 50's and late 40's will retire. The Office of Personnel has recommended, in effect, an expanded JOT program, the Career Officer Trainee Program, which will increase the number of professional trainees from [REDACTED] This expansion was approved on 20 March 1964. It will supply junior professionals to the Deputy Directorates each year beginning in 1965 as follows:



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2. The new program will be the principal induction mechanism for junior professionals in all Deputy Directorates. It will be a departure from early JOT concepts of a small group of potential supergrades who would eventually fill the top jobs in CIA. Some

\*Recruitment of Young Officers, memorandum from the Director of Personnel to the DDCI, dated 25 February 1964

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5. Spot checks of the files containing sensitive personnel information maintained by this staff indicated that some information is not being sent by other components to the Office of Personnel and that [REDACTED] is only being implemented in part.

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It is recommended that:

No. →

DDCI re-emphasize the provisions of [REDACTED] requiring that pertinent personnel information be integrated in files of the Office of Personnel, and that specific examples where this has not been done be given each Deputy Director to point up this problem. (Eyes Only list being handled separately.)

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6. SAS's responsibilities for monitoring weak fitness reports and step increase holds are being carried out in accordance with their instructions. As indicated elsewhere in this report, however, these procedures are effective in identifying only some marginal and problem people. The solution to these problems lies outside SAS.

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7. We believe that current regulations for separation of surplus personnel [REDACTED] are adequate. The revisions under consideration for [REDACTED] Involuntary Separations, will improve that regulation. We have no recommendations with respect to regulations in these areas.

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Staff, Office of Security or others. The Overseas Candidate Review Panel does not review such cases involving contract employees, staff agents, career agents, key project people or other non-staff personnel. The Overseas Candidate Review Panel also conducts post mortems on cases brought to their attention in which staff employees are returned from the field for misconduct or related causes. We believe that the charter of the Overseas Candidate Review Panel should be strengthened to include the review of the suitability of all staff, contract and career agent personnel proposed for overseas and to post mortem all cases in which these people are returned for misconduct and related reasons. We believe this post mortem should include a report on what action the employee's present and former supervisors took to deal with the problem and recommendations where indicated as to what should be done about supervisors who have not faced up to their responsibility.

It is recommended that:

No. \_\_\_\_\_

The Overseas Candidate Review Panel review cases in which questions of suitability are raised on all persons - staff, contract and career agent personnel - proposed for overseas assignment; and conduct post mortems in all cases in which such persons are returned from overseas for misconduct and related reasons. This post mortem should include a report on what action the employee's present and former supervisors took to deal with the problem and recommendations where indicated as to what should be done about supervisors who have not faced up to their responsibility.

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of the junior professionals under the expanded program will rise to the most senior jobs, but obviously all will not. Thus, instead of concentrating on a potential elite, the new program will include people who will eventually fill jobs ranging from about GS-13 up, in a wide range of categories. It is also an important extension of previous JOT programs which have selected and trained people primarily for service in the Clandestine Services.

3. Although the expansion has been approved and the numbers of trainees agreed on, there are at least five important questions which have not been settled:

a. Requirements of each Deputy Directorate have not been pinned down. The Office of Training and the Office of Personnel have not been given information on the numbers and kinds of operations officers, analysts, finance officers, area specialists, scientists, economists and others required for each Deputy Directorate, so that recruiting requirements can be organized. Some people have questioned the validity of using an expensive program of this kind to supply people for some of these jobs.

b. The qualifications to be sought in trainees have not been spelled out. For example, a trainee who will enter

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the Office of Finance should have a different educational background, interests and aptitudes than a trainee scheduled for the Office of Current Research or the [REDACTED] 25X1A Division. The Director of Training feels strongly that present JOT standards should be maintained regardless of the end use of a trainee.

c. The training to be given needs more discussion. It is probably desirable that all trainees have some common denominator training, but not necessary that all have the operations course now given JOTs scheduled for the Clandestine Services.

d. The source of trainees has not been agreed on. Some people believe that more trainees should come from CIA employees who can meet required standards after the Agency has had an opportunity to judge a man on the job. Training will probably mean more to such people. The attrition rate of "internal" trainees is lower than for "external" trainees. Others believe it is desirable for most trainees to be recruited from outside. A balance is probably the answer. But if more are to come from CIA employees, recruitment, scheduling and assignment procedures will have to be organized to supply qualified new people to the "staging

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areas" which will feed trainees to the expanded program.

e. New selection procedures must be worked out. The Office of Personnel and the directorates should have a voice in nominating candidates and making final selections.

4. In view of the fact that this will be one of the most - if not the most - important personnel programs in CIA, we believe it is necessary to examine carefully the role the Office of Personnel should play in it. We believe the trend should be to strengthen the Office of Personnel's role in recruitment, selection and assignment of trainees. If, as seems likely, a significant number of trainees will be from CIA employees, the problems of scheduling, recruitment and placement will be such that the Office of Personnel ought to have a key role in the program.

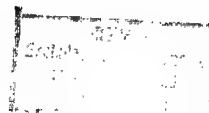
It is recommended that:

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a. The Deputy Director of Support review the respective roles of the Office of Training and the Office of Personnel in the Career Officer Trainee Program, and insure that the latter has sufficient participation in it.

b. The Deputy Director of Support take such additional steps as are necessary to resolve open questions of requirements, qualifications, training, sources and selection procedures for trainees under the new program.

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5. We believe CIA should adopt and announce a policy of recruiting a significant number of trainees for each class from the ranks of CIA employees who can meet necessary standards.

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██████████ 27 March 1963, Applications for Junior Officer Trainee Program, expired on 1 January 1964. It should be updated, reissued and given broad distribution, both in the field and at Headquarters. The Agency should use selected positions in all directorates as staging areas for the new program (as has been done in RID, the Watch Office and OCR, for example) and recruit accordingly.

It is recommended that:

No. \_\_\_\_\_

a. CIA adopt and announce a policy of recruiting a significant number of trainees for the Career Officer Trainee Program from CIA employees who can meet necessary standards.

b. HN ██████████ Applications for Junior Officer Trainee Program, which expired on 1 January 1964, should be revised to reflect changes in the program, and given wide distribution both in the field and at Headquarters.

c. CIA should use selected positions in all offices as staging areas for the new program, and recruit accordingly.

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C. Personnel Processing Costs

1. CIA hired [redacted] new civilian staff employees in FY 1963. In order to enter this number on duty, over [redacted] people were interviewed initially by recruiters and some [redacted] processed through various stages of security investigations, medical examinations, A&E testing and pre-employment interviews. In addition to civilian staff employees, CIA hired several hundred military personnel and "non-staff" personnel. At an average cost of \$1,500 for each staff employee who enters on duty, it cost [redacted] to hire the [redacted] people. There are no good statistics on what it cost to bring the other people on duty.

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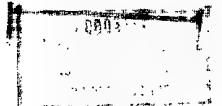
2. The Office of Personnel estimates that less than 20 per cent of all professional applicants interviewed are sufficiently interested in employment with CIA, or of sufficient interest to CIA to warrant further consideration. In FY 1963, about 14,000 professional and JOT applicants were interviewed by recruiters and, after processing about 1,900 of these [redacted] finally entered on duty. (There are no statistics on the number of interviews held by other CIA components to enter the other [redacted] professionals and JOTs on duty.)

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3. We believe CIA ought to experiment with ways of reducing the ratio of initial interviews and further processing to people

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who finally enter on duty. One way is to experiment with an advertised test - along the lines of that given by the Foreign Service. This would have at least three advantages. It would attract some people not presently being reached by our recruiting machinery. It would require some initiative on the part of those taking the test, and would indicate more than casual interest in working for CIA. It would weed out those not qualified for further consideration. There are possible disadvantages from a security point of view, but we consider these no more serious than those in our present recruiting procedures. The Office of Personnel, the Assessment and Evaluation Staff and the Junior Officer Trainee Office have had some preliminary discussions of such a test, but in our judgement have not given it adequate consideration.

It is recommended that:

No. \_\_\_\_\_

The Director of Personnel, in collaboration with the A&E Staff, on an experimental basis conduct an advertised test for professional applicants along the lines of that given for Foreign Service applicants. The test battery should be designed by the A&E Staff to meet CIA's special requirements.

4. Although the Office of Security has excellent cost data on field investigations, clearance and polygraph examinations, and the Office of Personnel and the Medical Staff have pro-rated their processing costs, CIA has never done an overall

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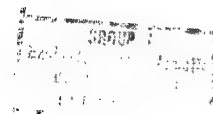
cost study of its processing of applicants with a view to reducing such costs. Present cost data was prepared for budgetary defense purposes. We believe that if heads of offices are impressed with present high processing costs, if cases in process are more carefully monitored and personnel requirements more precisely defined, important savings could result.

It is recommended that:

No. \_\_\_\_\_

a. The Director of Budget, Program Analysis and Manpower make a detailed cost study of CIA's procedures for processing new personnel - both staff and "non-staff" with a view to reducing costs where possible.

b. The Deputy Director for Support at a Senior Staff meeting and in other ways, impress on the heads of offices the high costs of processing new personnel and the need to reduce such costs where possible by more careful monitoring of cases in process, and more precise definition of requirements.



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D. Costs of Attrition

1. The Office of Personnel tells us that CIA's attrition rate compares favorably with other federal agencies. The Civil Service Commission statistics on which this statement is based are not convincing. We believe CIA is too complacent about its attrition and has not given enough attention to what it costs - in human resources and dollars.

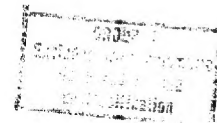
2. From July 1962 through February 1964, CIA lost [REDACTED] professional employees, about the same number of professionals who entered on duty during the same period - a period during which more new people entered CIA than at any time since the early 1950's. We have not been able to get satisfactory answers from the Office of Personnel as to why CIA loses its professional employees in such numbers. Exit interview procedures are rather superficial, and, in many cases, do not indicate the real reasons why people leave. In the last six months of 1963, DD/I professional attrition was 60 per cent higher than other Deputy Directorates.

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3. We estimate that direct costs of hiring and processing each new staff employee are [REDACTED] On the job training before an employee becomes productive adds to these costs substantially. The costs of attrition are therefore significant enough to require

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that CIA find out why it loses people and see what, if anything, can be done to cut such losses.

It is recommended that:

No. \_\_\_\_\_

The Director of Personnel, in collaboration with the heads of offices and Career Services, make a study in depth of professional attrition, determine the reasons for attrition in each component, and make recommendations for reducing it where possible.

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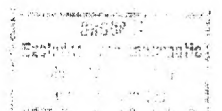
E. Use of the Assessment and Evaluation Staff

1. We believe the facilities of the Assessment and Evaluation (A&E) Staff are under-used in CIA's personnel program. There are at least five fields which should be explored by the Deputy Director of Support and the Chief of the Medical Staff who is responsible for the A&E Staff:

a. The A&E Staff has many ideas for refining screening procedures which would weed out people earlier in the process who are not qualified for further consideration. These might reduce the large numbers of people now being contacted by recruiters and processed through various stages of screening, and produce substantial savings.

b. The A&E Staff believes it can provide data of considerable validity - through assessment and psychological interviewing - on how people can be better matched to jobs which they can do well, and in which they will not become dissatisfied. If this is so, it might be possible to reduce high professional and other attrition, as well as result in more productive use of people.

c. The A&E Staff has a contribution to make in improving fitness report forms and procedures.



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d. Employee morale and attitude surveys are conducted by many organizations. More attention to this subject was recommended by the Inspector General in 1961. The A&E Staff has a contribution to make in this field.

e. A representative of the A&E Staff believes that aptitude and intelligence tests given applicants by CIA should be reviewed to see if they are as valid for negroes as they are for whites. There are some indications that they may do an injustice to negroes. Other ways of evaluating negroes should be explored.

It is recommended that:

No. \_\_\_\_

The Deputy Director of Support request specific proposals from the Chief, Medical Staff as to how the A&E Staff might make a greater contribution to CIA's personnel program, to include more efficient screening procedures, better matching of people and jobs, reducing professional attrition, improving fitness report procedures, morale and attitude surveys, and testing of negro applicants.

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